IMPACT OF SERVICE QUALITY IN SHAPING CUSTOMER SATISFACTION AND RETENTION IN DIGITAL BANKING

SHORT SYNOPSIS

Submitted in partial fulfillment of the requirement of the degree of

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by

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DECLARATION BY THE SCHOLAR

I hereby declare that the short synopsis entitled **IMPACT OF SERVICE QUALITY IN SHAPING CUSTOMER SATISFACTION AND RETENTION IN DIGITAL BANKING** being submitted in partial fulfillment of the requirement for the degree of Doctor of Philosophy in the Department of Management And Commerce under the School of Management And Commerce of Manav Rachna University, Faridabad during the academic year 2024- 2025

It is the work that is expected to be carried out under the supervision of Dr. Sunil Kadyan

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This is to certify that, the short synopsis entitled **IMPACT OF SERVICE QUALITY IN SHAPING CUSTOMER SATISFACTION AND RETENTION IN DIGITAL BANKING** an original piece of work done by research scholar Ms. Mansi Mangla under the supervision of Dr. Sunil Kadyan for the degree of Doctor of Philosophy in the Department of Management And Commerce under the School of Management And Commerce of Manav Rachna University, Faridabad during the academic year 2024-2025.

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ABSTRACT

One of the greatest innovations in the banking sector is the rise of internet banking. Considering the influence of digital banking on business operations, this research on the service of digital banking presents the importance of customer retention and satisfaction as a digital marketing strategy. This study examines service quality which encompasses a wide range of attributes, including reliability, performance, security, convenience, and personalization as a boundary marker in a hyper competitive financial services environment. It further examines the influence of evolving customer expectations against transformational technologies, competition and other market dynamics. Due to savings in costs and simplicity of switching banks, these institutions concentrated on customer induced characteristics and quality of services. Account management, loan servicing, investments, digital financial services engagement, chatbot integration, mobile check deposit, and peer-to-peer payment can be viewed as the key pillars of a modern digital banking facility and change the way you interact with your customers. AI, biometric authentication, and predictive analytics enhance user experience and overall satisfaction on online banking platforms. What has changed is that where there were branch visits before, now the physical visits are replaced with effective, seamless digital solutions, which signals that long-term trust and loyalty need more than just perfect service but also marketing and digital branding strategies. The aim of this study is to examine the links between service quality dimensions, customer satisfaction, and customer retention in the perspective of digital banking in India. With online banking gaining a crucial foothold, banks are eager to learn more about the drivers of consumer loyalty in order to stay ahead of the competition. The objective of the study is to explore the impact of service quality on customer satisfaction, based on the five dimensions of service quality such as reliability, responsiveness, assurance, empathy and tangibles.

In addition, the dimensions of customer satisfaction that are assessed alongside customer retention, and the direct and/or indirect influences of customer satisfaction on customer retention through mediating variables such as trust and perceived value, are investigated, including whether some moderating variables such as customer age, gender, income, education or usage frequency. The study employs a quantitative research design and a survey with closed-ended questions based on adapted SERVQUAL measures. The study will draw data from a sample of Indian online banking users who were using digital banking services for a minimum of six months. SEM or Structural Equation

Modelling will be utilized to unpack direct, indirect, mediating and moderating relationships between variables.

The results of this research can help digital banks to better understand in what ways they can improve their service quality and in a more methodological way personalize these service quality improvements to what would best aid customer satisfaction and inducing retention.

Keywords:- Digital Banking, Service Quality, Customer Satisfaction Customer Retention. SERVQUAL. Keywords: Structural Equation Modelling (SEM); Perceived Value; Online Banking Loyalty of customers and experience of user

INDEX

Sr.	DESCRIPTION	PAGE NUMBER
1.	Declaration By The Scholar	II
2.	Certificate By Supervisor	III
3.	Abstract	IV-V
4.	Introduction	1-7
5.	Review Of Literature	8-15
6.	Scope Of Research	16-17
7.	Proposed Model	18-21
8.	Objectives	22-24
9.	Research Methodology	25-26

10.	Limitations	27
11.	References	28-29

INTRODUCTION

The broadband revolution has altered the banking market as there is Internet banking the most radical change to the banking industry. For digital marketing, the significance of digital banking services to the customers has now become a crucial function in terms of customer retention and satisfaction. The relationship between service quality and customer retention and satisfaction: heterogeneity in retaining and satisfied customers. One click, smooth and personalized banking experience. In this day and age, service excellence has become an all-important point of differentiation for financial institutions who are vying for customers and want them to stay. Build Trust is more than just meeting requirements, it is an indicator which comprises of Reliability performance security convenience and customization. This research provides an intense understanding of the identified mechanisms influencing customer satisfaction in digital marketing context and further shows the role of these dimensions leading to overall good and services. Such as the relationship between quality service and retention and satisfaction customer and factors affecting such as character characteristics and customer competitive factors and development humanity technology and the costs associated with switching from one bank to another so the factor is most important and involved financial institutions and have insurance. Banks website or mobile applications for transferring funds, accessing banking services, etc. This is a transition from the conventional companies to a better version simple, cost-effective and revenue-focused. Components of Online Trading are Online trading consists of the following fundamental elements:

1. Account management (balance enquiry, funds transfer, payment)
2. Investment.
3. Digital financial planning solutions.
4. Chat bot over live chat gives customer support
5. Mobile check deposits.
6. Peer to peer payments.

Gone are the days when online businesses were simple businesses service to financial management and now often have technologies like artificial intelligence biometric authentication and predictive analytics to provide a better user experience and security.

SERVICE QUALITY

Quality and service are combined and called verbal exchange terms. A service is any labour or benefit that one party can provide to another party as long as it does not oppose the conditions old lead to membership. Quality as a tool for is known not only in economic but well recognised in a service sector quality having a large impact on the standard of delivery & work. That is market share increases in profit and satisfaction and customer focus or strongly correlated so this is not the case. Quality of Inn services in the early analysis the and the codes of the quality of Inn this treatment may be due to the specific attributes of service separation and conflict services such as e-banking services offered by the banks are called excellent or always a writing on in the virtual setting which are the quality of e-banking service. This is the service quality regarding online banking which the financial institutions provide through their extraordinary digital banking services. Really, this provides a few features, including:

1. Reliability – the Internet form of the Shanghai capacity to potentially help clients with initial drawings to arrive solutions to they problems in a fast and effective manner, and your connection and time genuineness.
2. Security — this involves ensuring that your financial and personal information is protected against unauthorized access. 1. Ease of use– the online banking platform is uncomplicated and user-friendly.
3. Functionality — scope of use of former Web financial institution medication.
4. Accessibility – having services accessible on different types of devices and platforms.
5. Personalization – the capability to provide services according to the customer demand and choice.

SERVQUAL MODEL

One common framework or model, mainly used in assessing Service quality in a cross-section of industries, including digital banking, is the SERVQUAL model. Model of service quality (based on gap theory) – It is based on the theory that the difference between customers' expectations of service

and what they perceive to receive from the service, Karen can be used for measuring the service quality. It was initially developed by Parasuraman, Zeinthaml, and Berry.This model can adapt to the specific elements of quality of services that are most relevant to the digital platforms for banking.

SERVQUAL MODEL AND DIMENSIONS OF DIGITAL BANKING

The classic SERVQUAL model comprises of Five dimensions: — Reliability, Responsiveness, Empathy, Assurance and Tangible. Now, here is an explanation of how each of these dimensions relate to digital banking:

1. Reliability – the ability of a digital financial service to consistently and accurately finalise on for its promises of services.
    - Implementation in Digital Banking:- it involves accuracy as well as reliability of transactions, availability of the online banking platform and accuracy of the information that is provided through the electronic channels.
    - Example:- Availability of online fund transfer and no errors in account statement and availability of mobile banking apps
2. Responsiveness – this is the extent at which Services providers are able to provide prompt service and to help the clients. The extent to which a brand is ready to assist its customers as well as serve them in a timely manner.
    - Implementation in Digital banking:- Another dimension here is the speed at which consumer queries your responded to be it chatbots or e mail marketing along with the speed at which transaction processing is completed for them in digital banking.
    - Example:- Quick resolution of failed transactions on login issues via online customer support channels.
3. Assurance:- is the employee's knowledge about the process and mannerism that can help him in building confidence and trust.
    - Deposit Insurance Nature in the country – whether will exist deposit insurance based on the law (explicit, or implicit) and whether to include help in the private sector in both the banking and the nonbank for the purposes of financial intermediation.

- Example — Employing multifactor authentication, save data encryption and regulations safeguarding customer information.

4. Empathy :- Empathy is the ability to provide customers with one-on-one empathetic care.
    - App & Digital banking – services that are personalized, such as – custom online banking, custom alerts and advice, or the example of how is the team will provide in a digital environment.
    - Example :- customizing loan or investment options based on their financial behavior and sending reminders for their payments or spending limits.
5. Tangible – or physical assets, such as premises, equipment and employees' appearance.
    - Usage in digital banking – in digital Valley intangibles are embodied in attractive and effective design of the website and mobile apps, information accessibility and UI & UX or in a digital form.
    - For instance – A case in hand would be a well, a clear instructions example seamless banking have a clear instructions — intuitive functions, — and eye-catching visuals

CUSTOMER SATISFACTION

Consumer satisfaction is defined as the extent to which a business delivers its services or goods in a way that meets or surpasses an individual consumer's expectations. This is a metric of customer satisfaction with the way business persons are treated in relation to products, services, customer service and business names. Even with these digital offerings like internet banking platforms and mobile apps, the customer satisfaction levels remain low. If banks use digital marketing to prioritize customer satisfaction in strategy development and customer retention, then the increasing importance of digital marketing for banks is a step in the right direction.

Online banking customer satisfaction describes the experience and expectations of customers when they use a digital banking interface, which reflects how well services are provided and the perception of those services meeting or exceeding the expectations. However, it refers to a state of mind in terms of how you feel about the Internet banking platform.

Importance of Customer Satisfaction in Digital Banking :-

- Low attrition rate — customers with content and happy customers are likely to stay with the bank as the service provider.
- Positive mouths – when customers are happy with the services they help in the posting of good reviews and also refer the services to others subsequently building new business.
- Increased revenue — happy customers tend to use the bank (and its products) more, so revenue grows.
- Differentiation: A bank can stand out in a crowded online banking industry by providing excellent customer service.

Customer retention is the goal of every business when it comes to a business unit. Such loyalty can be developed on the basis of continuous innovations delivered through customer interaction, self-care, personalization, and trust, with subsequent ease of access to the system. So, by creating especially personalized value a business can easily build trust between its customers. The automated communication has now improved his/her banking experience wherein he/she does not need to show up as physical accessibility to the bank has become virtual.

Customer retention

Customer retention (in the case of digital marketing) is quantified by customer engagement with the usage of the provided digital services and the whole online servicing offered over a particular time period. It has become more competitive than ever where there are practically limitless banks available, just a few clicks away from customers, to ensure utmost customer satisfaction has to be guaranteed by any bank. This is to enhance the competitiveness and sustainability so that the consumers rely on the digital services provided by the banks over time. Convenience customers with augmentation for personalized financial advice with recommended products & services.

WHY CUSTOMER RETENTION IS IMPORTANT:-

- Less expensive — Keeping previous clients costs less than breaking in new ones. New customer acquisition is generally costlier than existing client support in terms of marketing, onboarding, and helping.
- Predictable revenue: Loyal customers add to the certainty of revenue channels as they are more likely to remain using a bank's services and products. They are also more likely to explore the rest of the bank's offerings.
- Brand Advocacy: Your loyal customers become your strongest promoters and recommend the bank to others, leading to organic growth.
- Knowledge and Insights — Over the months or years that the bank retains the clients, it obtains critical information that helps the bank understand the needs, preferences, and behaviour of the retained clients. This data is used to further personalize services and enhance the customer experience.

Ways to Boost Customer Retention for Digital Banking:-

- Improve UX: Continuously improve the blow digital platform to make it more visually appealing, easy to use, and intuitive.
- Reinforced Security: Continually upgrade security measures to safeguard customer information and retain their faith.
- Personalize Offerings: Deliver customized service offerings using data analytics to gain the underlying factors that affect customer behaviour and preferences.
- Provide Great Customer Support: Check if customer service is available and respond quickly to issues or inquiries related to online banking.
- Develop Loyalty Strategies: Implement programs that encourage customers to continue using your online banking services.
- Communication — Maintain good communication channels for customers on changes, additions, and upgrades made to the online banking system.

Digital banking customer retention is a key part of the long-term sustainability of financial entities.

REVIEW OF LITERATURE

The rapid development of e-banking has revolutionized customer interaction with financial institutions. The conventional banking model largely based on personal interactions and physical branches is slowly being replaced by online platforms, smartphone applications, and other digital services. As a result, changes have also occurred to the factors affecting customer satisfaction and loyalty in banking. This literature review presents a range of recent studies focused on the effect of service excellence on customer satisfaction and retention in digital banking, while concentrating specifically on a number of studies administered in the Indian banking industry. Online banking constitutes one of the relevant parts of present day economic services in the extending virtual prospect.

The positive impact of net-banking service satisfaction on customer pride and subsequently loyalty brand (Hossain & Leo, 2009) (Pham & Vy, 2016) as reported in the previous literature. Further, the research on Pakistani banking sector (Raza et al, 2020) also substantiates this as it illustrates that service quality factors predict users satisfaction and subsequently leads to loyalty towards internet banking.

As noted by Davila et al. Qureshi and etal, (2010) emphasized the nature of banking activities and discovered several contributory elements that cover equal part of the physical environment, technology and, human aspects of service quality. The study further identified the operational aspects like the usage of high end technology to be significant factors of service quality, which led to customer satisfaction and customer loyalty. It is, however, perfectly understandable for the researchers to advance the view that by so responding to these aspects of banking operations, overall service quality impressions stand to be enhanced.

Similarly, an empirical study conducted on Indian banking sector indicated that service quality dimensions such as human, technical and physical resources have an effect on customer satisfaction in the context of services delivered at bank branches. This consisted of factors such as behaviour and efficiency of bank representatives, the working and up-time of the IT systems, the apply mentality and scenario of the branches. The research further revealed that banks could encourage

higher levels of consumer satisfaction with their clients simply by enhancing those social facets of supplier high-quality.

It has also been displayed with the aid of in-depth research that great of universal net banking provider has impressive impact on client satisfaction which then leads to extra patron loyalty. Efficiency, quality of information, and responsiveness of an online banking system has emerging solution space providing granularity in the coverage window. By offering customers an Internet banking service, not only can be satisfied, but also allows the banks to reach the highest loyalty and retention rate.

Collectively, these findings indicate that banks need to prioritize service quality beginning with the multidimensional aspects of integrated service quality, in order to leverage customer satisfaction and retention. Banks can sustain the competitive advantage in this customer-centric paradigm by meeting customer expectations at various touch points and creating lifetime value for them.

Theoretical Foundations

Service Quality

Service great (e.g., Brand Service Quality (Bahia and Nantel, 2000)) considers just explain consumer concept based low excellent version like SERPERF (Cron and Taylor, 1992). In banking sector, the result derives from the clients range from consumer to consumer, however as a whole it relies upon on the expectation as nicely as notion of the consumer about their carrier availed. In the past literature, the scales to "measure and verify the quality of financial institution products offered to the clients" (Nurallah, 2015).

There are not unique strategies to degree “perceived provider excessive quality” of monetary organization services, and consequently, the a applicable dimension for the “measure perceived carrier high- exceptional”. This study also developed innovative and valid dimensions to measure the service quality of retail banking (Paul et al., 2016). This dimension bank service quality measured slightly modified from five dimension “SERVQUAL (Al-Jazzazi and Sultan, 2017), and find as its counterpart (Tsoukatos and Mastrojianni, 2010)”.

Various version of SERVQUAL has been adapted for the context of online banking (eg. Jun and Cai (2001) also identified important aspects of net banking carrier quality: reliability, responsiveness, get right of entry to, simplicity, personalization, and security. Further research has confirmed the significance of those dimensions by establishing their role in influencing how consumers evaluate online banking services.

The idea of provider first-class has been elaborately analyzed throughout sectors, in addition to banking. In contrast, Parasuraman, Zeithaml, and Berry (1988) arrived at the SERVQUAL model identifying 5 dimensions of carrier first-class: reliability, responsiveness, assurance, empathy, and tangibles. This model has been widely utilized and customized within an internet banking context to measure the quality of on-line services (E-SERVQUAL).Many studies have investigated the factors of consumer satisfaction in the field of online banking. Lee and Lin (2005) identified the web site design, reliability, responsiveness, protection, and personalization as important determinants of customer satisfaction. Both the ease of use and usefulness have found to significantly impacted customer satisfaction in Internet banking based on the Technology Acceptance Model (TAM) (Davis, 1989; Pikkarainenet al.,2004).

SERVICE QUALITY DIMENSIONS:–

Contextual assessment with respect to India habitually loves the SERVQUAL model, adjusted for online banking, to find the diverse dimensions of service. The identified key dimensions are as follows:

- Reliability : Precision in performance of the suppliers
- Responsiveness: Answering purchasers inquiries efficiently and quickly.
- Assurance: The security and reliability of the net banking portal.
- Empathy: Personalized and care given to the customers.
- Tangibles: The look and feel of the web banking interface both appearance and functionality

Multiple studies in India, have emphasized on those aspects:

- Reliability: A study by Joseph et al. As stated by Gupta (2019), reliability is one of the most important things for Indian clients given they demand accurate and reliable service.
- Khan et al. (2023) Responsiveness How customer service extensive complements customer satisfaction – located by (2018).
- Assurance: Security and privacy cannot enough to win patron trust in India, and hence promise is the utmost thing in the form of assurance (Patel & Sharma, 2020).
- Empathy & Tangibles: Researchers such as Singh and Srivastava (2017) proved that through customized offerings as well as a high-technology user interface increase purchasing perceptions of service quality.

Effect of Service Quality on Customer Satisfaction:

In online banking, empirical studies have constantly proven a sturdy wonderful courting between carrier high-quality and client satisfaction. Such as Al-Hawari and Ward (2006) noted that increase levels of provider quality directly influence the increase in patron delight and indirectly via the increase in client loyalty. Further, this courting have additionally been explored with recognize to the mediation role of develop into and perceived cost in the relationship (Chen, 2013)

Measurement of Quality of service

Some researchers have developed multiple scales and fashions as to the effect of service quality in online banking. Recently, Zeithaml, Parasuraman and Malhotra (2002) has included three additional dimensions in the E-SERVQUAL model which are efficiency, achievement, device availability, and privacy. These dimensions were extensively applied in evaluating the high-quality of on-line banking offerings.

Customer Satisfaction:-

One of the most critical components of enterprise fulfillment is customer delight. But in the scenario of on-line banking, consumer pride is the extent to which the on-line banking offerings satisfy or exceed purchaser expectancies. Expectancy-disconfirmation theory (Oliver, 1980) suggests, that

consumer satisfaction is a function of the comparative gap between consumer expectations and the perception of provider overall performance.

CUSTOMER RETENTION

And in the context of competition in online banking, customer retention is thought to be one of the key indicators of long-term or sustained business success. Retention strategies are the things you do to keep customers as customers as long as you can to reduce churn and increase CLV (customer lifetime value) Research stream on relationship marketing paradigm (Morgan & Hunt 1994) has argued that in order to retain the customers, the development and sustainment of long-term market shares is critical and thus should be properly invested in. Others found customer satisfaction, trust, switching costs and service recovery factors to effect consumers' retention in online banking (sawhney 2005). As recorded by Keaveney (1995) that service recovery is an important aspect of client retention, well management of service failure positively increases the letter.

Factors affecting Customer Retention in Online Banking are as follows:

- Customer Satisfaction: Many studies (Kumar & Reza, 2017) have demonstrated that customer satisfaction has a strong positive direct effect on customer retention.
- Switching Costs: Srinivasan and Moorthy (2018) explored that high switching costs prevent customers from switching banks so they can help retain customers.
- Loyalty Programs — According to studies such as the one via Das and Jain (2020), loyalty programs and tailored gives aid in retaining customers.

Connecting the consumer satisfaction and retention

Consumer pride contributes positively to consumer retention, which has been proven in literature. For example, Hallowell (1996) found that content customers are more inclined to remain faithful and maintain on utilizing the bank's services. Jones, Mothersbaugh, & Beatty, 2000) have also investigated the role of switching costs and substitute attractiveness in moderating this relationship. Integrated fashions to foretell client retention from carrier first-class and client pride Indian researchers have Advanced. SEM: The studies that have applied Structural equation modeling

(SEM) through Ramesh and Murthy (2018) to manipulate provider best dimensions through the lens of customer satisfaction and retention, and confirms the significant associations between these constructs.

Research Gaps: The determination of research gaps in-terms of e-banking and consumer delight in India provides some essential areas that have to be explored more. Here's a detailed explanation of every point:

Yet, studies on digital banking and its impact on —

- Customer satisfaction there is lack of exhaustive study specifically focused on the banking sector in India. Most current studies commonly specializes in banking zone in general, treating nonpublic and public zone banks indistinguishably without consideration to the unique features and offerings of offerings provided by means of each kind of banks. When this occurs, the once granular results—in terms of what wins will work in what markets, and for which segments—become generalized and will not replicate the initiative-particular signatures of consultant and consumer experiences and satisfaction levels across baking environments. Hence, there is a requirement to study the fine details of e- banking services in the country because despite the fact that, all banks have the similar technology platforms and marketing perspective the operational frameworks and purchasing areas are diverse for the different banks.
- Comparative Approach: There are, except for one banking comparative framework, few studies on specific banks; and those that take multiple types lack a structured comparative perspective. This kind of evaluative vacuum does not augur well in so far as how various banking systems can effectively cater to customer satisfaction and service delivery excellence. The information on where people perceived to have better e-banking and why would bring insights for banks on which areas to improve and where they can compete.
- Nature of Customers Satisfaction: There is absence of knowledge about how much value customers RU getting from electronic banking as compared to alternative segments of banking domain. There is a scope for researchers to assess the level of satisfaction of customers about e-banking services provided by the private and public sector banks. This

knowledge would help formulate optimal service delivery standards which would be consistent with the expectations of the customers and the level of satisfaction. Further, it may provide insights into the satisfaction drivers within each sector and potentially enable more targeted service improvements.

Above mentioned gaps are few areas where e-banking research can be conducted contributing to existing body of knowledge in India. Focusing on customer satisfaction and the comparative nature of the quality of services rendered by different forms of banks, the researchers might provide crucial implications that could serve as a guideline for several banking procedures and practices that could work to the advantage of banks and customers alike.

Literature reviews highlight the fundamental importance of service quality to customer satisfaction in digital banking:-

- Bhuvaneswari & Maruthamuthu (2024) used the SERVQUAL framework to examine the impact of variables such as tangibility, reliability, responsiveness, assurance and empathy on customer satisfaction in the Indian digital banking sector. They found that all dimensions drive satisfaction but responsiveness is the best predictor.
- Arora & Banerji (2024): Service Quality, Customer Experience, and Customer Loyalty for Indian Public Sector Banks: An Integrated Framework Using the CMR (Cognitive-Motivational-Relational) theory, they observed that service quality dimensions have a significant impact on customer experience which significantly drives CS (Customer Satisfaction) and CL (Customer Loyalty).
- Basavaraju et al. In their study on digital banking in Bengaluru, (2024) discovered the role of efficiency, system availability, fulfillment, privacy, and responsiveness to customer satisfaction. It is a well-known fact that there is a direct relationship between customer satisfaction and retention:
- Chauhan & Singh (2024) stated that convenience, speed and web design are the key determinants of customer satisfaction in online banking. The reason for this is subject matter of their individual study saying that satisfied customers are less likely to switch statement services.

- Patel et al. A comparative study between India and Pakistan by Nafees et al. (2024) revealed that all dimensions of e-service quality (i.e., reliability, responsiveness, accessibility, ease of use, and security) have significant impacts on e-customer satisfaction and loyalty in either country.

Mediating and Moderating Forces

Many researchers have investigated mediating or moderating factors between service quality and customer satisfaction:

- Kamboj & Singh (2024) investigated the mediating effect of some demographics in the customer satisfaction with digital banking in India. They discovered that demographics like age, income, and education level are particularly telling of how satisfied people are with their lives.
- Bhatnagr & Rajesh (2024) study Generation Y and Z and reported that online customer experience, e-trust, and e-loyalty are important mediating variables between the intention of continuous usage of digital banking services.

Advancements in Technology and Trust from Customers:-

As digital banking continues to accelerate with these latest tech:

- Shaikh et al. Similar publication — Inferring Consumer Satisfaction Through Use of AI-Based Banking Services in India (Mukerjee 2024)The study found that AI definitely helped in improving customers efficiency and convenience but human point of interaction is still critical when it comes to customer satisfaction.
- Kanaparthi (2024) talked about the AI-based personalization in digital finance from the standpoint of personalization and highlighted that trust is imperative for customers to accept personalized services. The study also offered tangible recommendations for businesses, indicating that AI improves customer satisfaction, when paired with strong trust-building strategies.

SCOPE OF THE RESEARCH

Expanding upon these gaps would further expand the wide reach of this study. Below is a full explanation of the selection of ability parameters for future research:

- Comparative Studies- Future studies can focus on undertaking comparative studies on the private and public sector banks in India. It should include exploring consumer satisfaction phases, provider splendid perception, and e-banking is related to the exceptional fulfillment in one-of-a-kind monetary establishments. These studies can tell you what region is doing better in phrases of purchaser satisfaction and then discover the unique elements that are inflicting the divergences. Using this comparative system allows banks become aware of their aggressive delicacy and scope for competition.
- Multi-dimensional investigation of e-banking dimensions: It can examine particular dimensions of e-banking service quality which influences customer satisfaction such as analytical assessment of the (1) e-banking web-user friendliness (2) website security (3) website reliability (4) website responsiveness (5) total customer satisfaction. Based on these metrics, bankers can narrow down information regarding which areas of e-value in e-banking services and where the gaps in satisfaction with e-satisfaction exist.
- Demographic Factors: Future research could also examine the impact of demographic variables (such as gender, education, or income could impact customer satisfaction and use of e-banking services. Having these associations provides commentary to banks on how to provide product offerings for different consumer segments. For instance, younger folks may prioritize (in order of importance) mobile access, tech-savvy-ness, and interface design, while older folks focus on (in order of importance) security, usability, and basic functionality. Understanding behavior with demographics can influence and improve customer satisfaction and brand loyalty.
- Effect of Modernity: To grow in new tech such as AI, Blockchain and mobile banking that remain fresh openings for enquiry which need to be done to study the customer satisfaction and service quality in relation to e-banking. With an improved understanding of client behavior and usage of services, innovations can be applied in a more focused way, for example, actually being more responsive to clients using the help of AI chatbots and other automated systems.

- Longitudinal Studies: The longitudinal type of research centers on the time factor where satisfaction and perception of e-banking services are affected regarding past, present and future technological, regulations and market changes. Such research tracks changing satisfaction and expectation levels and helps banks in modifying strategies in time to retain high satisfaction levels.
- Systems of Customer Feedback: More research can be related to the impact of customer feedback systems in enhancing e-banking services. This includes the evaluation of measures that could be implemented by banks to enhance customer involvement in order to enhance the intricacy of service quality being provided. Understanding what kind of feedback mechanisms (such as surveys, social media feedback, direct interaction, etc.) work the best are essential to shape customer-centered service models.
- People Comparison: Expand study for cross-cultural comparisons to see how cultural differences affect customer satisfaction for e-banking in other countries. These kinds of studies can observe how cultural elements mold client expectancies and investigates, permitting banks.

Meeting those issues will enable other scholars together to extend a holistic insight into e-banking service quality and customer satisfaction. It allows banks to keep up with customer expectations to enhance loyalty and retention.

PROPOSED MODEL

Service Quality Dimensions :-

Quality of service in the context near to digital banking is being separated into multiple aspects which are intended to function as exogenous variables within the model.

Customer Satisfaction

Customer satisfaction or customer delight is implicated in the model as an intermediate outcome (or mediating variable). It denotes the extent to which the web banking service meets or surpasses

customer expectations. The classic pleasure of the patron with the web banking revel in based totally on their perceptions of provider great for the, person measurement.

Customer Retention

The last part of the model is customer retention, the dependent variable or the outcome. It is the degree to which customers remain loyal to the bank and continue to use its internet banking services. The likelihood that customers will use the web banking services and remain their relationship with the bank for years to come.

SEM MODEL :-

Key constructs in the model:

SERVICE QUALITY (SQ) :- Multi-dimensional variable.

CUSTOMER SATISFACTION : Independent variables that influence customer satisfaction (CS).

CUSTOMER RETENTION (CR): dependent variable affected by service quality (direct) and customer satisfaction (indirect)

Objective 1: To investigate the relationship between service quality dimensions and consumer satisfaction in digital banking.

HYPOTHESIS:

H1a: positive effect of reliability on CS

H1b: Responsiveness has a positive effect on customer satisfaction.

H1c: assurance have positive effect on customer satisfaction

H1d: customer empathy has a positive effect on customer satisfaction

H1e: Tangibility has positive effect on customer satisfaction

SERVICE QUALITY (SQ) MEASUREMENT:

Measured with several items respective to Dimensions of service quality

Reliability:

- Uptime of the online banking services.
- Processing first without mistakes
- Digital banking have enough security
- It proves to be reliable as well as living up to the sentence of online banking services.
- The internet banking portal allows the accessing it from anywhere

Responsiveness:

- The bank is quick to answer to my questions.
- Assistance provided when faced with problems of banking services through online.
- Get prompt alerts when a transaction takes place or the account update.
- Support agents or friendly and kind.

Assurance:

- The online transactions are secured.
- The banks online portal and its customer data privacy
- Bank can be trusted with money

Empathy:

- Customer services available in banks need to cater smartly for the needs
- Consumer is important to Financial institution.
- Bank Gives personalized needs and services.

Tangibility:

- Your online banking website/app has a good design of visual aesthetics.

- The platform is user-friendly (easy to navigate) and accessible online.
- The online banking service is always accessible when needed.
- Online banking services have simple use.
- Results showing that information is communicated in a clear manner

How to Measure Customer Satisfaction (CS):

- Overall great customer satisfaction through online banking services.
- The scope provided various attributes which ensures the customer satisfaction.
- Quality of digital banking experience satisfaction

Objective 2: To investigate the impact of customer satisfaction on customer retention in digital banking.

HYPOTHESIS:

H2: Customer satisfaction positively affects customer retention.

MEASUREMENT CUSTOMER RETENTION (CR):

- Plan to still lose banks services online in future.
- Likely to recommend the bank online services
- Avoid considering another bank for online services.

OBJECTIVE 3: TO ASSESS DIRECT AND INDIRECT EFFECT OF SERVICE QUALITY AND CUSTOMER RETENTION

HYPOTHESIS:

- H3a-has a direct effect on Customer retention through Service quality
- H3b: Service quality has an indirect effect on the customer retention through customer satisfaction.

OBJECTIVES FOR THE STUDY

Objective 1:- To investigate the association among various dimensions of service quality and consumer satisfaction in digital banking:

- Examine relationships between dimensions such as reliability, responsiveness, assurance, empathy, and tangibles and overall customer satisfaction.
- Which of the dimensions is most critical to enhancing consumer satisfaction in the digital banking context?

Objective 2:- To investigate the impact of consumer satisfaction on consumer retention in digital banking:

- Investigate the connection between consumer satisfaction tiers and their probability of continuing to use the identical digital banking products.
- Examine customer satisfaction as a mediator in the relationship between service quality and customer retention.

Objective 3 :- To find out the direct and indirect impact of service quality on customer retention.

- Immediate Impact: This investigates the heroes of service price dimensions (reliability, responsiveness, and protection) immediately affecting purchaser retention. In turn, if clients perceive terrific company, they are much less likely to end the use of the bank's digital services and products due to the fact they had a greater wonderful person trip and they have a decrease intention to switch.
- Indirect Effect: investigates if and how provider quality affects customer retention via mediating factors such as consumer satisfaction and trust. Good provider can complement pleasure and believe, which in flip reinforces purchaser loyalty and retention over the years.

Now based on the above objectives here is the hypothesis which is framed for this study —

Hypotheses Related to Objective 1: The dimensional quality of service and Customer Satisfaction.

- H1: A positive relationship between the reliability of online banking services and customer satisfaction
- H2: The responsiveness of online banking services has a positive relationship with customer satisfaction.
- H3: The assurance offered by online banking services has a positive impact on customer satisfaction
- H4: Sympathy of online banking services positively effects on customer satisfaction
- H5: The tangibles of online banking services (design and usability of website/app) are positively related to customer satisfaction.

HYPOTHESES LINKED TO IMPORTANCE 2: CUSTOMER SATISFACTION — CUSTOMER RETENTION RELATIONSHIP

- H1: Online banking services and customer satisfaction have a positive relationship retention.
- H2: The recommendation probability of the bank's online service mediates the relationship customer satisfaction and customer retention.
- H3: Customer satisfaction positively affects the intention to visit the bank online in the future.

Hypotheses in relation to objective 3: To find out the direct impact of service quality on customer satisfaction, & indirect impact of service quality through customer involvement on customer satisfaction.

- H1: Service quality has a one-to-one impact on client retention in a digital bank
- H2: Customer Contentment As A Mediator Of Service Quality In Digital Banking Paved With A Significant Indirect Effect On Client Stickiness.
- H3: The indirect effect of service quality on customer retention through customer satisfaction is larger than the direct effect

The analysis based on these hypotheses will be useful for service quality dimensions, customer satisfaction and retention in the context of online banking.

VARIABLES OF THE STUDY

Variable type	Variable	Description
Independent variables	Reliability	Consistency and accuracy of digital banking service.
	Responsiveness	Promptness and helpfulness in addressing customer enquiries and issues.
	Assurance	Confidence and trust in the security and privacy of online banking service
	Empathy	The level of individualized attention and care to given customers.
	Tangible	Physical aspects of the digital banking service such as website or app design and usability.
Dependent variables	Customer satisfaction	Customers general satisfaction with online banking services
	Customer retention	Likely hold of customer continuing to use bands online services
Mediating variables	Trust	Customers confidence in the reliability and integrity of the Banking service.

	Perceived value	Customers perception of the value received from digital banking services compare to alternatives.
Moderating variables	Age	Customer's age
	Gender	Customer's gender
	Income	Customer's income
	Education level	Education level of the customers.
	Usage frequency	Frequency of using online banking services (example daily, weekly, monthly).

RESEARCH METHODOLOGY

1. Introduction

This segment outlines the methodology for investigating the position of service fine in shaping client delight and retention in digital banking in the Indian context. The technique includes the research layout, information series strategies, sampling techniques, and records evaluation strategies.

2. Research Design :-

Quantitative Approach: A survey-primarily based method could be used to accumulate numerical records on consumer perceptions of provider great, delight, and retention.

3. **Research Hypotheses**:- The observe will test the subsequent hypotheses:
    - H1: There is a enormous tremendous relationship between provider nice dimensions (reliability, responsiveness, assurance, empathy, tangibles) and patron delight in digital banking.
    - H2: Customer delight extensively influences patron retention in online banking.
    - H3: Trust and perceived value mediate the relationship between carrier first-rate and patron pleasure.

- H4: Demographic factors (age, gender, earnings, schooling) slight the relationship among carrier first-rate and client pride.
- H5: High consumer pleasure results in increased purchaser retention in online banking.

4. DATA COLLECTION METHODS :
    - Survey Instrument: A based questionnaire may be designed based on established scales from previous studies research:
    - Service Quality: Measured the use of a modified SERVQUAL scale adapted for online banking.
    - Customer Satisfaction: Measured the use of a Likert scale starting from 1 (strongly disappointed) to five (strongly happy).
    - Customer Retention: Measured through items assessing the chance of persevered use and purpose to advocate the carrier.
    - Demographic Information: Includes age, gender, earnings, schooling, and frequency of online banking usage.
5. Sampling Techniques

- Target Population: The goal populace includes clients of online banking offerings in India, who've been using those services for as a minimum six months.

6. Sampling Method

- Quantitative Study: A stratified random sampling approach could be used to make sure illustration throughout specific demographic segments (age, gender, income, training).

7. Sample Size

- Quantitative Study: A sample size of about 300 respondents may be centered to attain statistical strength and generalizability.

8. Quantitative Data Analysis

- Descriptive Statistics: used to compile the pattern's demographic features and the fundamental answers to the survey questions.

Hypothesis Testing: Structural Equation Modelling (SEM) could be used to test the relationships between carrier satisfactory dimensions, consumer satisfaction, and client retention. Mediation and moderation outcomes can be analyzed using route analysis inside the SEM framework.

LIMITATIONS:

- Self-Reporting Bias: Because participants may not remember or report their experiences accurately, using self-reported data could introduce bias.
- Generalizability: The study's findings may be more applicable to the Indian context and may not be fully generalizable to other countries or region.

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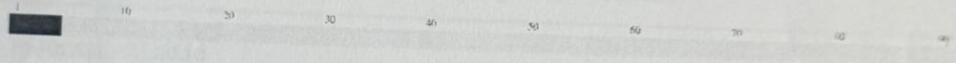

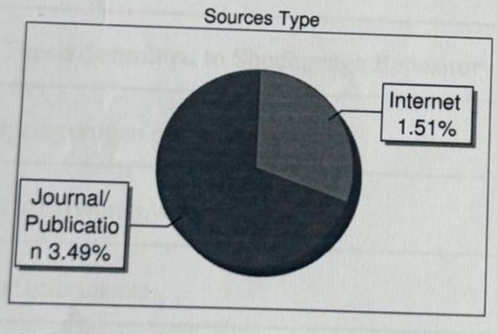

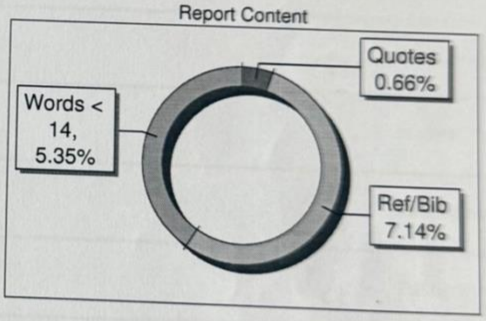

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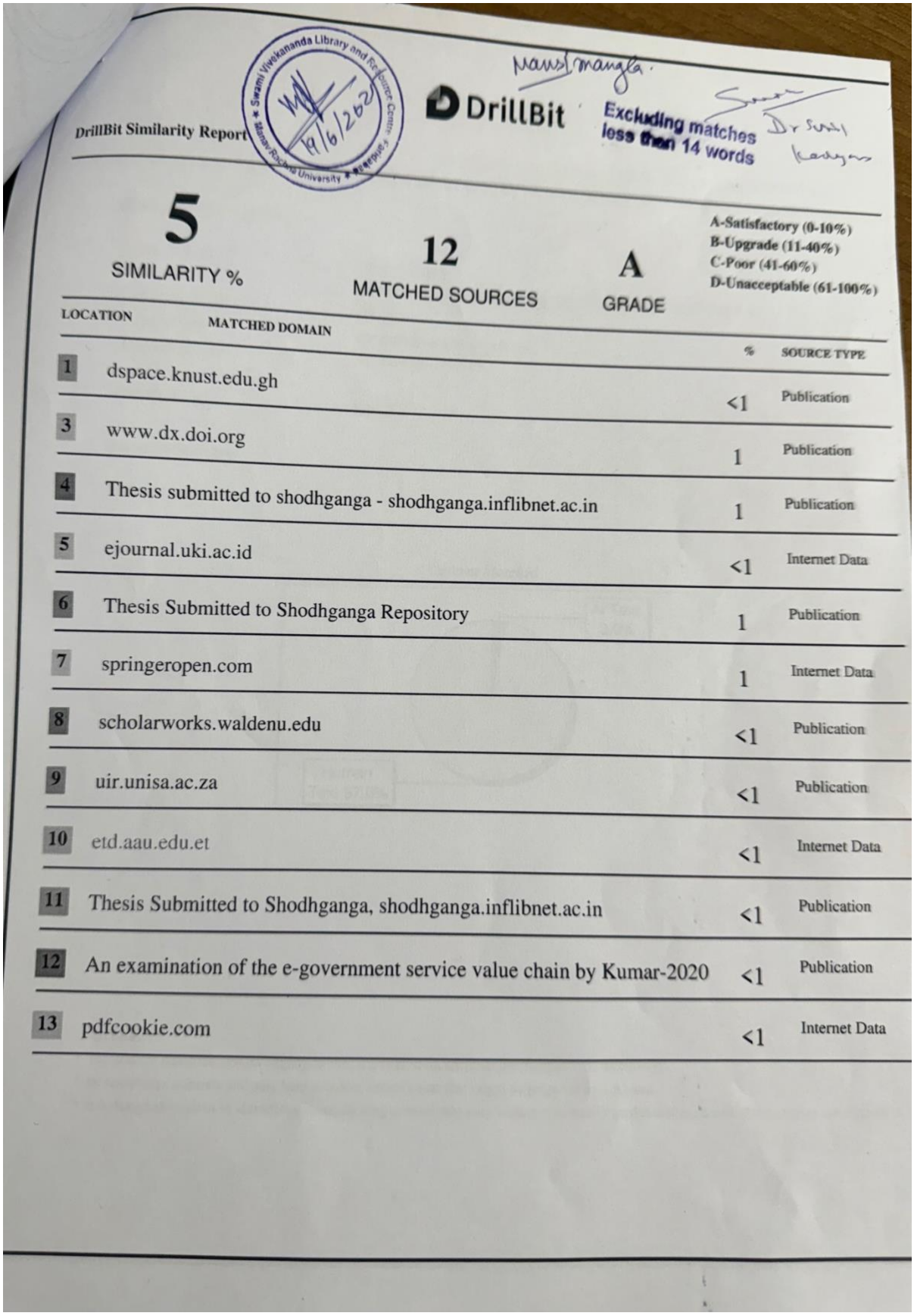

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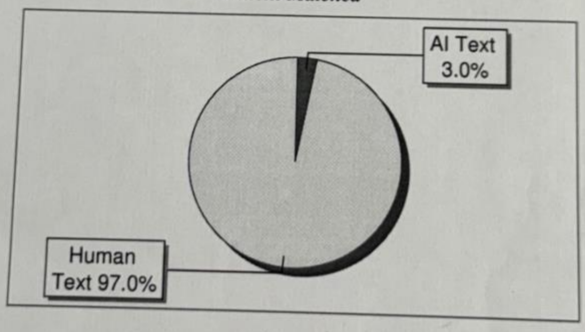

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